

Message Text

LIMITED OFFICIAL USE

PAGE 01 LAGOS 01181 01 OF 02 121926Z

45/47

ACTION AF-05

INFO OCT-01 ISO-00 EB-05 DRC-01 RSC-01 /013 W

----- 005795

P R 111425Z FEB 74

FM AMEMBASSY LAGOS

TO USDOC PRIORITY

INFO SECSTATE WASHDC 2739

LIMITED OFFICIAL USE SECTION 1 OF 2 LAGOS 1181

C O R R E C T E D C O P Y (REF - C)

E.O. 11652: N/A

TAGS: ENERG, NI

SUB: ENERGY: PETROCHEMICAL TECHNICAL SALES SEMINAR

REF: (A) ATKINS LETTER TO MCGRATH 9/28/73)

(B) MCGRATH LETTER TO ATKINS (11/12/73)

(C) STATE 233136 (11/28/73) AND "REPORT OF PARTICIPATION"
(11/23/73)

(D) USDOC 19090 12/10/73)

(E) RYDLUN LETTER TO LOLLIS 11/27/73 RECEIVED 1/9/74

(F) STATE 022645 (2/4/74)

1. SUMMARY

WE RECOGNIZE PROBLEMS WITH CHOICE OF THEME RAIDED REF. D, AND THERE IS ALSO PROBLEM THAT IT IS UNREALISTIC TO EXPECT "UNRESERVED COOPERA-TION" OF NIGERIAN AUTHORITIES WITH FOREIGN GOVERNMENT UNDER-TAKING OF ANY KIND. WE WOULD LIKE TO SEE PROMOTION TAKE PLACE, BUT WE THINK DECISION TO GO AHEAD AND CHOICE OF THEMEAND VEHICLE HAVE TO DEPEND ON OBJECTIVES OF SPECIIC US FIRMS THT ARE INTERESTED INARTICIPTING.

2. IN EMBASSYJS VIEW, PETROCHEMICAL SALES SEMINAR DEPENDS ON WHETHER OR NOT IT SERVES INTERESTS PERCEIVED BY PARTICIPATING FIRMS (BALANCED AGAINST OBJECTIONS EXPRESSED BY ANY NON-PARTICIPATING FIRMS). RATIONALE OF SEMINAR ACCORDING TO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LAGOS 01181 01 OF 02 121926Z

DEPARTMENT OF COMMERCE LAST AUGUST IS THAT SEVERAL U.S. FIRMS,

WHICH HAVE ALREADY VISITED NIGERIA ON MULTIPLE OCCASIONS, ARE NOW FACING PARTICULAR NIGERIA BRAND OF DELAY AND FRUSTRATION IN HAVING THEIR PROJECT PROPOSALS APPROVED AND ARE THEREFORE WILLING TO CONSIDER ANYTHING WHICH MIGHT SURMOUNT THE BARRIERS, GAIN ACCESS TO NIGERIAN DECISION-MAKERS, AND BUILD MOMENTUM TOWARD FAVORABLE OUTCOME

THE EMBASSY FEELS IT CANNOT FULLY ALLOCATE THIS IDEA UNTIL FIRMS AND THEIR SPECIFIC OBJECTIVES ARE IDENTIFIED. IT IS NOT ENTIRELY CLEAR FROM REFERENCES D AND E IF DEPARTMENT OF COMMERCE NOW ENVISAGES PARTICIPATING FIRMS WILL BE (1) INVESTORS, (2) CONSTRUCTORS, (3) MANUFACTURERS, OR (4) COMBINATION OF THESE. IT IS DIFFICULT FOR EMBASSY TO BELIEVE THAT POTENTIAL INVESTORS WHICH ARE ALREADY PURSUING PETROCHEMICAL PROJECTS (SUCH AS GULF, PHILLIPS, OCCIDENTAL, TENNECO, CRUTCHER (GUADALUPE), HERCULES, TEXFEL, GATX, AND DOW) WILL BELIEVE THAT SEMINAR CAN DO MUCH THEY ARE NOT ALREADY DOING FOR THEMSELVES. LIKEWISE, MOST ENGINEERING AND CONSTRUCTION FIRMS LISTED REF A (BADGER, BECHTEL, CHEMICO, FLOUR, FOSTER-WHEELER, M.W. KELV, LUMMUS, MCKEE, PARSONS, AND PROCON) ARE LONG ACQUAINTED WITH NIGERIA. IN SEVERAL INSTANCES, THEY ARE ALREADY PAIRED OFF WITH POTENTIAL INVESTORS (INCLUDING SHEGM-BP AND OTHER NON-US INVESTORS). FOSTER-WHEELER'S U.K. SUBSIDIARY IS OPENING A LAGOS OFFICE THIS WEEK.

4. QUESTION RAISED REF D OF BROADENING THEME TO INCLUDE OTHER MAJOR TURNKEY INDUSTRY AND INFRASTRUCTURE PROJECTS BETTER ANSWERED BY DEPARTMENT OF COMMERCE THAN EMBASSY. CRITERION REMAINS WHETHER OR NOT SEMINAR WOULD SERVE INTERESTS PERCEIVED BY ALL PARTICIPATING FIRMS. LIST OF OTHER PROJECT AREAS CONTAINED REF A (AVIATION, PORTS, POWER GENERATION, EDUCATIONAL FACILITIES, TELECOMMUNICATIONS, STEEL-MAKING, PULP AND PAPER, AND SUGAR) IS AS FOLLOWS:

AS ANY, BUT IT IS DIFFICULT FOR EMBASSY TO KNOW HOW ANY OF THESE COULD BE RELATED TO PETROCHEMICALS AND RETAIN UNITY OF THEME WHICH IS GOING TO APPEAL TO TARGET AUDIENCE. IN REPLY PAR 3-, REF D, SOME CURRENT FEDERAL GOVERNMENT INDUSTRIAL PROJECTS LISTED ON PAGE 23 OF THE GUIDELINES FOR THE INDUSTRIES THIRD NATIONAL DEVELOPMENT PLAN (1975-80) ARE (IN NO PARTICULAR ORDER); SUGAR ESTATES AND FACTORIES, PALM KERNEL CRUSHING, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LAGOS 01181 01 OF 02 121926Z

WOODEN FURNITURE FOR EXPORT, PULP AND PAPER, FISH AND SHRIMP TRAWLING, PETRO-CHEMICAL COMPLEX, NITROGENOUS FERTILIZER, LPG, SUPERPHOSPHATE FERTILIZER, SECOND PETROLEUM REFINERY, SALT REFINERY, IRON AND STEEL*, 7% SENGEL CAD ASSEMBLY.

5. EMBASSY OBSERVATIONS ABOUT GOVERNMENT SPONSORSHIP ALREADY EXPRESSED REF B. IF, IN WORDS OF REF D, "SUCCESS OF SEMINAR DEPENDENT ON UNRESERVED COOPERATION NIGERIAN AUTHORITIES," WE

MAY HAVE TO RECONSIDER.

NIGERIAN AUTHORITIES UNLIKELY TO GIVE "UNRESERVED COOPERATION" TO ANY PROMOTIONAL UNDERTAKING OF A FOREIGN GOVERNMENT, WHATEVER FORM IT TAKES AND THIS HAS BEEN MAJOR PROBLEM CONFRONTING TRADE GROUPS FROM ALL COUNTRIES, INCLUDING BELGIAN TRADE MISSION LAST YEAR. EMBASSY WISHED WITHHOLD FURTHER COMMENT ON ANTICIPATED DEGREE OF GOVERNMENT COOPERATION UNTIL SEMINAR IDEA COULD BE DISCUSSED WITH M.O. FEYIDE (DIRECTOR OF PETROLEUM RESOURCES, MINISTRY OF MINES AND POWER) AND F.R.A. MARINHO (EXPLORATION AND PRODUCTION MANAGER, NIGERIAN NATIONAL OIL CORPORATION). UNFORTUNATELY, NEITHER HAS BEEN AVAILABLE SINCE CHRISTMAS. APPOINTMENTS WERE MADE EARLY THIS MONTH AS SOON AS EACH RETURNED FROM LEAVE AND TRAVEL: MARINHO'S TO HAVE TAKEN PLACE FEBRUARY 8 BUT WAS POSTPONED. FEYIDE'S STILL ON FOR FEBRUARY 13. WILL REPORT RESULTS NOMEDIATELY.

6. IDEAL TARGET AUDIENCE OF SEMINAR WOULD BE RELATIVELY SMALL NUMBER FMG COMMISSIONERS AND PERMANENT SECRETARIES, SENIOR MANAGERS IN MINISTRIES AND NNOC, AND INFLUENTIAL PRIVATE BUSINESSMEN WHO VARE PRESUMABLY IN POSITION TO INFLUENCE DECISION MAKING IN PUBLIC AND PRIVATE SECTORS. HOWEVER, SUCH PEOPLE ARE EXTREMELY BUSY AND SELF-IMPORTANT. THEY WOULD BE PROBABLY AMAILABLE TO CERTAIN EXTENT DURING SEMINAR FOR INDIVIDUAL VISITS TO THEIR OFFICES, BUT THEIR ATTENDANCCE AT SEMINAR SESSIONS IS HIGHLY UNLIKELY, AND EVEN OFFICE APPOINEMENTS CANNOT BE GUARANTEED. EXPERIENCE OF RECENT PORT MANAGEMENT SEMINAR AND THREE TECHNICAL SEMINARS SPONSORED BY GENERAL ELECTRIC IS THAT MODERN TECHNOLOGY HAS STRONG APPEAL, BUT SEMINARS ATTENDED BY LARGE NUMBER MIDDLE-LEVEL AND TECHNICAL CIVIL SERVANTS PLUS SPRINKLING FROM PRIVATE SECTOR. BENEFIT OF SEMINAR PER SE THEREFORE LONG TERM, AND THIS SHOULBE MADE CLEAR TO POTENTIAL PARTICIPANTS. IN ORDER MEET SHORT TERM OBJECTIVES (PAR 2), MAXIMUM EFFORT WOULD HAVE TO BE MADE TO GET PARTICIPANTS INTO OFFICES OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 LAGOS 01181 01 OF 02 121926Z

THE DECISION MAKERS IN FMG AND NNOC. ONCE AGAIN, CRITERION IS WHETHER OR NOT PARTICIPANTS PERCEIVE THIS COLLECTIVE EFFRIY WOULD GAIN THEM SOMETHING THEY NOT ALREADY ACHIEVING FOR THEMSELVES WITH DECISION MAKERS.

7. IF DEPARTMENT OF COMMERCE DISCOVERS THAT REPRESENTATIVE GROUP OF LARGE AND SERIOUS U.S. FIRMS ARE INTERESTED IN SENDING VICE PRESIDENTS OR OTHER HIGH LEVEL EXECUTIVES, EMBASSY SUGGESTS WE MIGHT CONSIDER NOT SO MUCH SALES SEMINAR OR TTRADE MISSION FORMAT BUT PROGRAM OF CONTACTS AT HIGHEST POSSIBLE LEVEL FOR EXAMPLE, WE COULD REQUEST SUCCESSIVE MEETINGS AT MINISTRIES MINES AND POWER, INDUSTRIES, FINANCE, ETC., FOR GROUP TO HEAR REMARKS OF COMMISSIONER OR PERMSEC, FOLLOWED BY BRIEFING ON CURRENT PROJECTS. AMBASSADOR AND OTHER EMBOFFS MIGHT BE ABLE PIN DOWN A FEW DECISION MAKERS AND OTHER OFFICIALS TO ATTEND LUNCHEONS AND INFORMAL DINNERS WITH

SELECTED MISSION MEMBERS. PARTICIPANTS WOULD ALSO HAVE TIME TO PURSUE OLD AND NEW BUSINESS OF THEIR OWN, SUCCESS OF THIS APPROACH, IF IT WOULD BE SPECULATIVE AT BEST BECAUSE OF INABILITY TO ASSURE "UNRESERVED COOPERATION" BUT MADE MORE LIKELY IF MISSION DIRECTOR COULD BE DEPUTY ASSISTANT SECRETARY RANK OR HIGHER.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LAGOS 01181 02 OF 02 111905Z

47

ACTION AF-05

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /013 W
----- 125202

P R 111425Z FEB 74
FM AMEMBASSY LAGOS
TO USDOC PRIORITY
INFO SECSTATE WASHDC 2742

LIMITED OFFICIAL USE SECTION 2 OF 2 LAGOS 1181

E.O. 11652: N/A
TAGS: ENERG, NI
SUB: ENERGY: PETROCHEMICAL TECHNICAL SALES SEMINAR

REF: (A) ATKINS LETTER TO MCGRATH 9/28/73)
(B) MCGRATH LETTER TO ATKINS (11/12/73)
(C) STATE 233136 (11/28/73) AND "REPORT OF PARTICIPATION"
(11/23/73)
(D) USDOC 19090 12/10/73)
(E) RYDLUN LETTER TO LOLLIS 11/27/73 RECEIVED 1/9/74
(F) STATE 022645 (2/4/74)

8. PROMOTION
COULD REASONABLY TAKE PLACE ANYTHING UP TO MID-JUNE
(OR AFTER AUGUST). ONLY KNOWN CONFLICT INSIDE OR OUTSIDE EMBASSY
IS HOSPITAL AND MEDICAL EQUIPMENT CATALOG SHOW, MAY 20-25.
EMBASSY WOULD BE UNABLE TO SUPPORT BOTH EVENTS AT SAME TIME,
AND SEMINAR SHOULD FALL AT LEAST ONE WEEK AFTER CATALOG SHOW.
IT IS EXTREMELY DIFFICULT TO KNOW BEST TIMING INsofar AS
TACTICS CONCERNED. MARINHO'S SUPPOSITION (REF C) THAT
PREOCCUPATION WITH INCREMENTAL CRUDE OIL SALES WILL END BY
MARCH APPEARS PREMATURE (SEE LAGOS 0834). ON OTHER HAND,
IMPLEMENTATION OF SECOND REFINERY PROJECT IS NOW ON A

TENTATIVE TIMETABLE (LAGOS 1148), AND THERE ARE SOME INDICATIONS THAT BASIC LNG DECISIONS MAY BE TAKEN BEFORE END OF MARCH (LAGOS 0833). ON BALANCE WE WOULD SUGGEST EARLY JUNE.

9. SEMINAR SESSIONS COULD BE HELD AT MAJOR HOTEL OR NIGERIAN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LAGOS 01181 02 OF 02 111905Z

INSTITUTE OF INTERNATIONAL AFFAIRS. HALL AT LATTER SEATS 500 (MORE THAN AMPLE) AND COSTS \$100 PER DAY. MORE LIKELY THAT HALL WILL BE AVAILABLE ON ANY GIVEN DAY THAN BLOCK OF HOTEL ROOMS, THESE SHOULD BE RESERVED AS SOON AS EVEN TENTATIVE DATES SELECTED. IF SEMINAR INVOLVES STATIC DISPLAY, THIS WOULD BEST BE ARRANGED AT HOTEL (FEDERAL PALACE OR IKOYI).

10. FOREGOING RESPONDS TO ALL QUESTIONS RAISED PARA THREE, REF D EXCEPT ESSENTIAL INGREDIENTS OF FOREIGN PROPOSALS FOR INDUSTRIAL DEVELOPMENT PROJECTS. DIFFICULT TO GENERALIZE FROM EXTREMELY LIMITED NUMBER SUCCESSFUL PROPOSALS TO DATE, BUT EMBASSY WOULD RANK FOLLOWING AS AMONG ESSENTIAL INGREDIENTS: INFLUENTIAL LOCAL SUPPORT AND EQUITY PARTICIPATION ECONOMIC RETURN COMPATIBILITY WITH DEVELOPMENT PLANS, CONFIDENCE OF VARIOUS GOVERNMENT MINISTRIES, MAXIMUM USE OF LOCAL MATERIALS, TRAINING PROGRAMS, AND PROVISION FOR RAPID NIGERIANIZATION OF PERSONNEL.
CROSBY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, PERSONNEL TRAINING, INDUSTRIAL DEVELOPMENT, PETROLEUM INDUSTRY, BUSINESSMEN, CHEMICALS, BUSINESS FIRMS, FOREIGN INVESTMENTS, PROGRAMS (PROJE CTS), TRADE VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAGOS01181
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740242/aaaabnkp.tel
Line Count: 252
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) ATKINS LETTER TO MCGRATH 9/28/73,)
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2002 by cunninfx>; APPROVED <04-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: PETROCHEMICAL TECHNICAL SALES SEMINAR
TAGS: ENRG, EIND, BPRO, NI
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005